

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Authorize the Extension of the City Manager’s Change Order Authorization Limit for the Westminster Way N and N 155 <sup>th</sup> Street Intersection Improvements Project in the Amount of \$200,000
<b>DEPARTMENT:</b>	Public Works
<b>PRESENTED BY:</b>	Tricia Juhnke, City Engineer
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

On January 6, 2020, the City Council authorized the City Manager to execute a contract with Marshbank Construction, Inc. for construction of the Westminster Way N and N 155<sup>th</sup> Street Intersection Improvements Project. Construction is now nearly complete.

The original construction contract is for the amount of \$3,063,201. In addition to the construction contract amount, Council authorized \$307,000 for construction change orders. Unforeseen conditions, and consequently, required design modifications, were discovered that affected the cost of construction. The estimated sum of all change orders is \$489,943 which exceeds the original \$307,000 change order authorization. An additional \$200,000 in change order authorization, for a new total of \$507,000, is required to bring construction of the project to completion.

**RESOURCE/FINANCIAL IMPACT:**

The project budget is adequate to fund all project costs. The tables below show a revenue contingency of \$698,640. This contingency reflects revenue that has not yet been entirely collected from the adjacent developer (Merlone Geier Partners, MGP).

The table below provides details on project expenditures and revenue.

**EXPENDITURES**

**Construction**

Project Administration	\$832,713
Construction Contract	\$3,063,202
Change Order Authorization	\$307,000
<b>Additional Change Order Authorization (This Request)</b>	<b>\$200,000</b>
<b>TOTAL</b>	<b>\$5,168,318</b>

**REVENUE**

Estimated Private Donations (MGP)	\$2,013,255
Transportation Improvement Board Grant	\$3,353,703
Surface Water Fund	\$500,000
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TOTAL	\$5,866,958

**RECOMMENDATION**

Staff recommends that the City Council increase the City Manager’s change order authorization limits for the Westminster Way N and N 155<sup>th</sup> Street Intersection Improvements Project by \$200,000, from \$307,000 to \$507,000.

Approved By:           City Manager ***DT***   City Attorney ***MK***

## **BACKGROUND**

On January 6, 2020, the City Council authorized the City Manager to execute a contract with Marshbank Construction, Inc. for construction of the Westminster Way N and N 155<sup>th</sup> Street Intersection Improvements Project. The staff report for this authorization can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2020/staffreport010620-7b.pdf>.

The project construction is 90% complete and is anticipated to be completed in Spring 2021. Current construction budget forecasting indicates that the net sum of all construction change orders will increase the total contact amount by approximately \$489,943. The original, Council-approved change order authorization of \$307,000 leaves approximately \$182,943 in change orders above the current authorization.

## **DISCUSSION**

Shoreline Municipal Code Section 2.60.040(D)(3)(b) allows the City Council to extend the City Manager's administrative change order authority upon staff recommendation.

As part of the Developer Agreement with MGP and the separate agreement for relocation of sanitary sewer and storm lines, the extension of water lines and the joint utility trench, MGP will be responsible for a portion of these additional costs associated with the change orders. Below is a list of the specific approved and projected change orders. The most significant change orders are a result of changes to the storm drain and water main design.

### **Construction Change Orders**

CCO #1 E-mail Correspondence	\$0.00
CCO #2 Hours of Work	\$0.00
CCO#3 Removal of Trees	\$12,419.54
CCO #4 Construction Fence	(\$10,479.28)
CCO#5 Storm Drain Modifications (157th St)	\$104,000.00
CCO #6 Limited Access Area	\$0.00
CCO #7 96" Catch Basin	\$56,523.26
CCO #8 JUT	\$516.68
CCO #9 Void	\$0.00
CCO #10 Signal Modifications	\$3,165.62
CCO #11 Water Main	\$143,453.45
COVID-19 Labor and Supplies	\$4,440.39
Slope Stabilization	\$13,431.98
Asphalt Pre-Leveling	\$14,413.90
Add Catch Basin Type 1L	\$2,000.00
Replace MH Rings and Covers	\$3,000.00
Sanitary Sewer Connection to Manholes	\$2,250.00
Remove SCL Pole	\$3,000.00

SCL Invoices	\$15,000.00
Striping Modifications	\$4,000.00
Vault Adjustments	\$2,500.00
Storm Drain Removal (Replace 12" pipe)	\$10,000.00
Sidewalk/ADA	\$5,000.00
Material Overruns	\$101,307.00
<b>TOTAL</b>	<b>\$489,942.54</b>

Based on the status of construction and current change order negotiations, staff recommends increasing change order authorization as necessary to fund the project through closeout. The requested authorization increase of \$200,000 will provide funding for all forecasted change orders and includes a 9% contingency to provide revenue to address any remaining unforeseen expenditures.

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